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COUNSEL TO THE DEBTORS AND  
DEBTORS IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:

Senior Care Centers, LLC, *et al.*,<sup>1</sup>

Debtors.

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Chapter 11

Case No. 18-33967 (BJH)

(Jointly Administered)

**DEBTORS' OMNIBUS OBJECTION TO VARIOUS INDIVIDUAL  
PLAINTIFF-LITIGANTS' MOTIONS FOR RELIEF FROM AUTOMATIC  
STAY TO CONTINUE LITIGATION**

The above-captioned debtors and debtors in possession (the “**Debtors**”) hereby file this omnibus objection (the “**Objection**”) to the *Motion for Relief from the Automatic Stay to Continue Litigation* [Docket No. 266] and *Motion for Relief from Automatic Stay to Continue Litigation* [Docket No. 268] (the “**Lift Stay Motions**”). In support of this Objection, the Debtors, by and through their undersigned counsel, respectfully represent as follows:

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<sup>1</sup> A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, is attached hereto as Exhibit A. The Debtors’ mailing address is 600 North Pearl Street, Suite 1100, Dallas, Texas 75201.

### **JURISDICTION AND VENUE**

1. This Court has jurisdiction to consider this Objection under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). The Debtors consent to entry of a final order under Article III of the United States Constitution.

2. Venue is proper in this District under 28 U.S.C. §§ 1408 and 1409.

### **BACKGROUND**

3. On December 4, 2018 (the “**Petition Date**”), each of the Debtors filed a voluntary petition in this Court commencing a case for relief under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”).

4. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of Kevin O’Halloran, Chief Restructuring Officer of Senior Care Centers, LLC, in Support of Chapter 11 Petitions and First Day Pleadings*, filed concurrently herewith [Docket No. 25] (the “**First Day Declaration**”) and fully incorporated herein by reference.

5. The Debtors continue to manage and operate their business as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.

6. No trustee or examiner has been requested in the Chapter 11 Cases.

7. On December 14, 2018, the Office of the United States Trustee for the Northern District of Texas appointed an official committee of unsecured creditors in these Chapter 11 Cases (the “**Committee**”).

8. On January 7, 2019, counsel for both David Riley and Jackie Waldron (the “**Individual Plaintiffs**”) filed the Lift Stay Motions.

9. Pursuant to the Lift Stay Motions, “Movant seeks to modify the automatic stay to permit the [litigation] to continue through judgment, settlement and any appeals provided that Movant shall not seek to collect any judgment or settlement except from any applicable policy of insurance.”

### **RELIEF REQUESTED**

10. By this Objection, the Debtors respectfully request that the Court deny the relief requested in the Lift Stay Motions and continue to impose the requirements of the automatic stay on Individual Plaintiffs.

### **BASIS FOR RELIEF REQUESTED**

11. The Debtors are parties to approximately 400 prepetition litigation matters, the majority of which are personal injury lawsuits.

12. In principle, the Debtors are not opposed to relief similar to that requested by the Individual Plaintiffs, where such litigants would be required to waive all claims against the Debtors’ estates and only be authorized to pursue recovery from the Debtors’ insurance carriers. However, there are several considerations that need to be accounted for in crafting the appropriate relief.

13. As an initial matter, for each occurrence or claim, the Debtors generally have to pay a deductible in the amount of approximately \$100,000. Although the Individual Plaintiffs are properly proposing to solely pursue the Debtors’ insurance carriers, those insurance carriers will ultimately seek reimbursement from the Debtors’ estates for the deductibles. Thus, the relief requested in the Lift Stay Motions does not entirely account for the reality that the Debtors would still be liable for a certain amount. As such, to provide the Individual Plaintiffs the relief they are seeking, which is an ability to continue the litigation without implicating the Debtors’

estates, there must be a mechanism whereby the litigants effectively indemnify the Debtors for any amounts that the Debtors expend for the deductible amounts. That relief would give effect to the Individual Plaintiffs' intention to solely pursue recovery from the Debtors' insurance carriers.

14. Additionally, with the sheer volume of prepetition plaintiffs litigating against the Debtors, the Debtors respectfully request the opportunity to establish a form of universal dispute resolution procedures for these types of claims. These dispute resolution procedures would greatly benefit the Debtors' estates, as well as the individual litigants, by efficiently streamlining the manner in which these types of claims are resolved and providing certainty and control as to their liquidation. Although liquidating these claims could be handled more efficiently in this Court, this Court may not have jurisdiction to adjudicate these types of personal injury claims. Accordingly, the Debtors propose to file a form of alternative dispute resolution procedures similar to those adopted by the United States District Court for the Northern District of Texas in other matters. Thus, the automatic stay should not be lifted at this point in time and the Individual Plaintiffs should be required to go through those procedures along with all other similarly situated litigants. The Lift Stay Motions should be denied at this time.

#### **CONSENT TO JURISDICTION**

15. The Debtors consent to the entry of a final judgment or order, with respect to this Objection, if it is determined that the Court would lack Article III jurisdiction to enter such final order or judgment absent consent of the parties.

#### **NOTICE**

16. Notice of this Objection shall be provided to: (a) the Office of the United States Trustee for the Northern District of Texas; (b) the Office of the Attorney General of Texas and

Louisiana; (c) counsel to the Committee; (d) counsel to CIBC Bank USA; (e) the Department of Medicaid, Department of Health, and Division of Health Services Regulation in each state in which the Debtors operate; and (f) those parties who have requested notice pursuant to Bankruptcy Rule 2002.

17. The Debtors respectfully submit that such notice is sufficient and that no further notice of this Objection is required.

**WHEREFORE**, the Debtors respectfully request that the Court deny Individual Plaintiffs' requested relief in the Lift Stay Motions and grant such other and further relief as the Debtors may be justly entitled.

Dated: January 22, 2019  
Dallas, Texas

Respectfully submitted,

**POLSINELLI PC**

/s/ *Trey A. Monsour*

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*Counsel to the Debtors and Debtors in Possession*

**Exhibit A**

(Sorted Alphabetically)

#	Debtor Name	Case No.	EIN
1.	Alief SCC LLC	18-33987	0523
2.	Bandera SCC LLC	18-33989	0617
3.	Baytown SCC LLC	18-33992	0778
4.	Beltline SCC LLC	18-33996	7264
5.	Booker SCC LLC	18-33999	0967
6.	Bossier SCC LLC	18-34003	2017
7.	Bradford SCC LLC	18-34004	9535
8.	Brinker SCC LLC	18-34005	7304
9.	Brownwood SCC LLC	18-33968	0677
10.	Capitol SCC LLC	18-34006	1750
11.	CapWest-Texas LLC	18-34008	4897
12.	Cedar Bayou SCC LLC	18-34010	8889
13.	Clear Brook SCC LLC	18-34012	1877
14.	Colonial SCC LLC	18-34014	4385
15.	Community SCC LLC	18-33969	7951
16.	Corpus Christi SCC LLC	18-34016	9807
17.	Crestwood SCC LLC	18-34017	7349
18.	Crowley SCC LLC	18-33970	6697
19.	CTLTC Real Estate, LLC	18-34018	0202
20.	Fairpark SCC LLC	18-34020	7381
21.	Gamble Hospice Care Central LLC	18-34022	6688
22.	Gamble Hospice Care Northeast LLC	18-34025	6661
23.	Gamble Hospice Care Northwest LLC	18-34027	2044
24.	Gamble Hospice Care of Cenla LLC	18-34029	4510
25.	Green Oaks SCC LLC	18-33971	7218
26.	Harbor Lakes SCC LLC	18-33972	7299
27.	Harden HUD Holdco LLC	18-34032	1502
28.	Harden Non-HUD Holdco LLC	18-34035	3391
29.	Harden Pharmacy LLC	18-34036	1995
30.	Hearthstone SCC LLC	18-34037	9154
31.	Hewitt SCC LLC	18-33973	7237
32.	HG SCC LLC	18-34040	7415
33.	Hill Country SCC LLC	18-34043	4199
34.	Holland SCC LLC	18-33974	1427
35.	Hunters Pond SCC LLC	18-34045	2886
36.	Jacksonville SCC LLC	18-34046	4216
37.	La Hacienda SCC LLC	18-34049	1074
38.	Lakepointe SCC LLC	18-34050	7457
39.	Major Timbers LLC	18-34052	7477
40.	Marlandwood East SCC LLC	18-34054	1871

#	Debtor Name	Case No.	EIN
41.	Marlandwood West SCC LLC	18-34058	2192
42.	Meadow Creek SCC LLC	18-34064	9278
43.	Midland SCC LLC	18-34065	4231
44.	Mill Forest Road SCC LLC	18-34066	5137
45.	Mission SCC LLC	18-33975	8086
46.	Mullican SCC LLC	18-34067	7499
47.	Mystic Park SCC LLC	18-34068	1898
48.	Normandie SCC LLC	18-34069	1542
49.	Onion Creek SCC LLC	18-34070	7425
50.	Park Bend SCC LLC	18-34071	9410
51.	Pasadena SCC LLC	18-34072	1694
52.	Pecan Tree SCC LLC	18-34073	4241
53.	Pecan Valley SCC LLC	18-34074	9585
54.	Pleasantmanor SCC LLC	18-34075	7536
55.	PM Management - Allen NC LLC	18-34076	4961
56.	PM Management - Babcock NC LLC	18-34077	7829
57.	PM Management - Cedar Park NC LLC	18-34078	1050
58.	PM Management - Corpus Christi NC II LLC	18-34079	5231
59.	PM Management - Corpus Christi NC III LLC	18-34080	5129
60.	PM Management - Corsicana NC II LLC	18-34081	9281
61.	PM Management - Corsicana NC III LLC	18-34082	9353
62.	PM Management - Corsicana NC LLC	18-34083	1333
63.	PM Management - Denison NC LLC	18-34084	5022
64.	PM Management - El Paso I NC LLC	18-34085	2965
65.	PM Management - Fredericksburg NC LLC	18-34086	0599
66.	PM Management - Frisco NC LLC	18-34087	5082
67.	PM Management - Garland NC LLC	18-33979	5137
68.	PM Management - Golden Triangle NC I LLC	18-33980	9478
69.	PM Management - Golden Triangle NC II LLC	18-33981	9536
70.	PM Management - Golden Triangle NC III LLC	18-33982	9597
71.	PM Management - Golden Triangle NC IV LLC	18-33983	9654
72.	PM Management - Killeen I NC LLC	18-33984	3105
73.	PM Management - Killeen II NC LLC	18-33985	3179
74.	PM Management - Killeen III NC LLC	18-33986	3245
75.	PM Management - Lewisville NC LLC	18-33988	5296
76.	PM Management - New Braunfels NC LLC	18-33990	6293
77.	PM Management - Park Valley NC LLC	18-33991	7186
78.	PM Management - Pflugerville AL LLC	18-33993	4007
79.	PM Management - Portland AL LLC	18-33994	5018
80.	PM Management - Portland NC LLC	18-33995	4928
81.	PM Management - Round Rock AL LLC	18-33997	5304
82.	PM Management - San Antonio NC LLC	18-33998	1216
83.	Presidential SCC LLC	18-34000	1913
84.	Redoak SCC LLC	18-33976	7569

#	Debtor Name	Case No.	EIN
85.	Riverside SCC LLC	18-34001	1889
86.	Round Rock SCC LLC	18-34002	8936
87.	Rowlett SCC LLC	18-34007	7606
88.	Ruston SCC LLC	18-34009	0242
89.	RW SCC LLC	18-34011	7631
90.	Sagebrook SCC LLC	18-34013	9571
91.	San Angelo SCC LLC	18-34015	4254
92.	SCC Edinburg LLC	18-34019	1195
93.	SCC Hospice Holdco LLC	18-34021	3166
94.	SCC Senior Care Investments LLC	18-34023	4123
95.	SCC Socorro LLC	18-34024	5459
96.	Senior Care Center Management II LLC	18-34026	1280
97.	Senior Care Center Management LLC	18-34028	7811
98.	Senior Care Centers Home Health, LLC	18-34030	1931
99.	Senior Care Centers LLC	18-33967	8550
100.	Senior Rehab Solutions LLC	18-34031	4829
101.	Senior Rehab Solutions North Louisiana LLC	18-34033	1690
102.	Shreveport SCC LLC	18-34034	1659
103.	Solutions 2 Wellness LLC	18-34038	4065
104.	South Oaks SCC LLC	18-34039	8002
105.	Springlake ALF SCC LLC	18-34041	2436
106.	Springlake SCC LLC	18-34042	9102
107.	Stallings Court SCC LLC	18-33977	7393
108.	Stonebridge SCC LLC	18-34044	9234
109.	Stonegate SCC LLC	18-33978	3005
110.	Summer Regency SCC LLC	18-34047	7782
111.	TRISUN Healthcare LLC	18-34048	2497
112.	Valley Grande SCC LLC	18-34051	1341
113.	Vintage SCC LLC	18-34053	7710
114.	West Oaks SCC LLC	18-34055	9535
115.	Western Hills SCC LLC	18-34056	1922
116.	Weston Inn SCC LLC	18-34057	7871
117.	Westover Hills SCC LLC	18-34059	3303
118.	Whitesboro SCC LLC	18-34060	7745
119.	Windcrest SCC LLC	18-34061	9541
120.	Windmill SCC LLC	18-34062	8067
121.	Wurzbach SCC LLC	18-34063	9920